

## How to Protect Yourself Against Travel Losses

Seniors on the Go

By: [Ed Perkins](#), SmarterTravel Staff - April 22, 2011

For obvious reasons, many Americans who had booked travel to Egypt or Japan earlier this spring had to change their plans, and others who hadn't yet booked have made alternative arrangements. But what about trips to other areas at other times? Nobody can predict where the next revolution might break out—and certainly not when and where the next earthquake, tsunami, fire, or volcano will hit. The question then becomes one of how best to protect yourself against losses if a destination you decide to visit suddenly and unexpectedly suffers a big problem.

Clearly, in such a case, you won't be able to enjoy the trip you expected—you can't undo the problem. But what you can do is make sure you get all or most of any money back from any prepayments and deposits. And you have several safety nets:

- **Travel Suppliers.** Even after you've paid—even a nonrefundable payment—you can usually get your money back from most suppliers, although the terms may be a bit too narrow.
- **Airlines.** If you already have a ticket, most airlines will let you cancel a trip to an impacted area and offer a choice of rebooking the same trip at a later date or a refund, both without the usual cancellation or exchange fees. However, the re-issue offer is generally limited to the same route.
- **Hotels, too,** generally allow no-fee cancellation. However, if your original booking was on some great deal, you might not be able to duplicate the original price.
- **Tours.** The U.S. Tour Operators Association (USTOA) states that, "most USTOA members serving Japan proactively canceled trips." Presumably, most other operators take the same approach in such situations.
- **Credit card.** By now you've probably learned that you can get a charge-back for anything you've paid a supplier that the supplier didn't deliver. This process can sometimes be a hassle, but it usually works. Always—always—use a credit card for such advance payments.
- **Travel Insurance.** Trip-cancellation insurance (TCI) could be helpful, but many policies are surprisingly restrictive. They refund payments you can't otherwise recover, but only in the event the policy specifically notes each circumstance as a "covered reason" or a "named peril."

Some policies cover natural disasters like the earthquake/tsunami and others do not. And even those that accept earthquakes, hurricanes, and such as covered reasons, typically subject coverage to such limitations as an airline that "ceases all service" or a destination

accommodation becomes "totally uninhabitable." Never mind that the golf course may be under water; if the hotel is open, you're not covered.

Several specifically exclude "nuclear radiation" or leaks as a covered reason.

Uprisings such as occurred in Egypt are typically defined as "civil disorder," and many policies specifically exclude civil disorder as a covered reason.

All in all, given the many exclusions on standard policies, I now recommend to just about everyone that if they decide they need insurance, they should buy a "cancel for any reason" policy. It may be more expensive, and it might not cover 100 percent of your prepayments, but the decision about whether to travel or not—and what you get back if you decide not to go—is yours, not some insurance company bean counter's.

In related travel insurance news, On Call International, just announced special "memberships" for travelers age 77 to 85. Many travel insurance programs refuse to cover travelers of that age, so the new policies could be welcome. They are, however, really expensive: \$425 for an individual, \$820 for a couple, covering a trip of up to 90 days. And that's just medical emergency and evacuation coverage, not cancellation. Still, if you're over 77, it may be your best bet.

Link: <http://www.smartertravel.com/travel-advice/how-to-protect-yourself-against-travel-losses.html?id=7505743>